

2. How do you plan to approach the Village's long-term financial stability, including taxes, debt, and spending?

Dennis Faber's Response

Long-Term Financial Stability

Our Village is rated AA financially, which is why financial institutions have aggressively bid with low interest rates to buy our bonds. One of the primary reasons is because the Village always had more than 17% of our tax revenue in its General Fund. We have an ordinance that mandates at least 17% be kept in our General Fund; however, our financial consultants, Ehlers and Associates, and our auditor have now said the norm is at least 25%, which will ensure future stability.

Taxes

In 2005, the Wisconsin Legislature passed a law that says our tax levy can only be increased by the percentage increase in equalized value from new net construction. The reasoning was to protect the Wisconsin taxpayer from municipalities recklessly raising taxes.

Because new construction since 2018 (merger's first budget) only totaled 9.53%, while inflation since 2017 totals approximately 30%, we had to borrow \$1.9 million this year to pave roads and refurbish one of our fire trucks.

The good news is we are paying back the \$1.9 million this year, and our mill rate (the tax dollar you pay per every thousand dollars of assessed value, similar to dollars per gallon or price per pound as a measuring stick) only increased \$0.23 per thousand dollars of assessed value - raising the mill rate from \$2.95 in 2025 to \$3.18 per thousand this year, which is the third lowest since we became a Village.

In that year, our mill rate was \$3.54. By comparison: Paddock Lake was \$5.69, Twin Lakes \$4.47, Kenosha County \$4.73, Village of Somers \$6.00, Pleasant Prairie \$4.28, and City of Kenosha \$11.49 per thousand of assessed value.

In years past, I always championed taking money (in some years, hundreds of

thousands of dollars) from our General Fund and putting it into our budget, making sure we kept our mandated 17% in the General Fund. This last budget year, however, we did not have that luxury. We had numerous budget workshops to squeeze out excesses, but unfortunately minimal construction levy increases do not overcome the almost 30% cumulative inflation we have absorbed since 2017, the year we became a Village.

Debt

By law, a municipality in Wisconsin cannot exceed 5% of its assessed value in debt. Our assessed value in 2026 is \$2,355,834,000. Our debt cap at 5% would be \$117,792,000, while our current debt - including principal, interest, and this year's \$1.9 million loan - is \$19,249,223, or 84% BELOW what is legally allowed. What does that tell you? The Village Boards, for many years, have been very frugal in managing their debt and your tax dollars.

Our Highway and Fire building in Trevor will be paid off in 2030, and our Salem Business Park TIF project, without any new development or as it is right now, can be paid off up to five years earlier. Nineteen million dollars in debt for a \$2 billion Village is commendable in my opinion.

Spending

This last year, our Village staff produced a Capital Plan which is excellent; however, it is imperative the Village Board review it item by item, because there are numerous expenditures I have questions about. No doubt, because of the anticipated limited tax increases from new construction in the next two years, we must eliminate non-essential purchases.

Steve Dunn's Response

The Village needs to get the budget in order. Simple concept: you can't spend more than you take in. I believe a lot of the staff (many who aren't residents of Salem Lakes) have wants that aren't necessarily needs. They need to hear a firm "no" on their wants. Once that happens, hopefully they will learn to respect the residents' hard-earned money.

We need to take care of the needs before the wants and avoid taking on additional debt. The fire department needs to bring back volunteers (paid on call) and get the Department of Public Works trained in fire services.

We need to be aware that even small property tax increases can have a big impact

on people in our community, and schools are often pursuing referendums to address their budget issues. It all adds up, and we need to consider the future implications of our financial decisions 5–10 years down the line, not just 1–2 years.

Adam Miller's Response

I want to take a disciplined approach by assessing and reducing unnecessary spending wherever possible. I also plan to help identify and pursue state and federal grants that can support Village projects and ease the financial burden on taxpayers.

Kerry Verenski's Response

I will prioritize efficiency and responsible fiscal management. I will carefully evaluate spending, reduce unnecessary costs, and ensure taxpayer dollars are used wisely. My goal is to maintain long-term financial stability while minimizing the burden on residents.

James Woodke's Response

Having a plan would be a great start. What are the Village residents' priorities? Using an example: some residents want no development. If we go that route, it will mean tax increases with fewer services or more borrowing. If we have smart and responsible growth in both residential and business development, we will increase our revenues over time. Currently, expenses are rising faster than revenues. We need smart development to help increase revenues, decrease our expenses in a responsible way, and strategically borrow when necessary.